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DD/P 4-8491
7 December 1959

MEMORANDUM FOR: Acting Chief, Developments Projects Division

SUBJECT : Contracting Officer's Delegation of Authority

REFERENCE : A. Memo for DD/P from C/Admin Branch,
DPD, Subject as above, dated 24 September
1959, with atts, DPD Admin Memos No. 164
and 116

B. Memo for AC/DPD from DD/P, Subject
"Budget Status and Program Approvals,"
dated 1 September 1959

1. I have not signed the proposed DPD Admin Memo No. 164 submitted to me nearly three months ago with reference A. Since that time, there has been some further evolution in DPD programming and approvals procedures which, I believe, makes possible a different but satisfactory amendment to the earlier DPD Admin Memo No. 116. I suggest that the latter part of the statement quoted in draft Admin Memo No. 164 be amended to read "... provided (1) that such contract is authorized in a separately approved Activity Program (or amendment thereto) or in an Activity Program approved as part of the DPD annual Operational Program..."

2. I would like to take this occasion to call your attention to the developments in both terminology and procedure which will be reflected in the above language.

a. There is now before the Director a summary of all DPD programs for the current fiscal year for his approval. Although not so specifically entitled, these will henceforth be referred to as the division's FY 1960 Operational Programs. It will thus have the same status as other operational programs in the Cladestine Services.

b. By approval of this document, the Director will approve budgets for what might be described as the more or less routine activities of DPD, including especially its continuing overhead in the form of salaries of personnel, travel, and the like. The Operational Program, however, specifically calls for separate

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approval of the major identified activity programs, including OXCART, [redacted] CHALICE Development, [redacted] and certain others. The intention is that the procedure presently in effect in DPD for the submission of separate documents (hitherto called Program Approvals) on each of these projects shall be analogous to the normal project procedure in the Clandestine Services.

c. As a detail, I suggest that each of these projects be described as an Activity Program (as is done in the FY 1960 Operational Program) and that this term replace the term "Program Approval" as the title of the paper that is submitted.

d. In future years, I desire that DPD submit Operational Programs on the same schedule as other divisions of the Clandestine Services. This calls for the submission of a Project Program two to three months prior to the beginning of the fiscal year which it will cover, and, hopefully, have the approval of that program by, or soon after, the beginning of the fiscal year. In this way, the authority to obligate funds will be clearly and properly established when it should be.

e. I also hope in future years that Activity Programs submitted for separate approval can be drawn up and approved on a better schedule. I believe that Activity Programs calling for continuing projects (such as OXCART and CHALICE Development in FY 1961) can be submitted concurrently with the division's Operational Program. Separate Activity Programs for new projects must be submitted henceforth before any significant obligation of funds, even if only a small part of the program is in the firm category at the time of submission.

f. As to the format of these documents, the present form of Program Approvals will be satisfactory for separate Activity Programs unless and until revised. (I may say, however, that I expect some further tidying up and standardization of this form in the near future.) The Operational Program for future years can, in part, be modeled on that submitted for FY 1960. I will issue more definitive instructions on the format to be used well before the submission date.

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3. I really believe that we almost have this problem solved. The developments discussed above amount, in fact, to very little change from the method of doing business that we have evolved during the course of the present year. With respect, however, to the language discussed in paragraph 1 above, there is, I believe, no way to avoid two hard recommendations:

a. The Contracting Officer cannot be authorized to sign contracts except for an activity that has been approved; and

b. Policy approval for specific activities should neither be sought nor granted until they can be presented as elements of coherent programs, except, of course, in an emergency.

Bureaucratically as it may seem, therefore, we are going to have to write annual Operational Programs (budgets) and separate Activity Programs (projects) in an informative and timely fashion or else be stopped from carrying on our business.

4. If the foregoing is reasonable, Admin Memo No. 164 can be redrafted for my signature.

(sgd) Richard M. Bissell, Jr.⁷

RICHARD M. BISSELL, JR.
Deputy Director
(Plans)

Atts:

1. DPD 6460-59
2. Admin Memo #164
3. Admin Memo #116

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